

AMENDED IN SENATE JUNE 15, 2016

AMENDED IN SENATE JULY 1, 2015

AMENDED IN ASSEMBLY APRIL 6, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 655

Introduced by Assembly Member Quirk

February 24, 2015

An act to amend Sections 19227, 19312, and 19315 of, and to add Section 19300.1 to, the Food and Agricultural Code, relating to rendering, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 655, as amended, Quirk. Rendering: inedible kitchen grease: registration fee: additional fees.

(1) Existing law regulates rendering, which is defined as the recycling, processing, and conversion of, among other things, inedible kitchen grease. Existing law, operative until July 1, 2020, authorizes the Department of Food and Agriculture, in addition to the license fee, to charge each licensed renderer and collection center an additional fee to cover the reasonable costs of administering provisions regulating renderers, collection centers, and transporters of inedible kitchen grease, and requires that the additional fees may not exceed \$3,000 per year.

This bill would increase the maximum amount of these additional fees to \$10,000 per year.

(2) Existing law requires transporters of inedible kitchen grease to be registered and to pay a \$100 registration fee. Existing law, operative until July 1, 2020, authorizes the department, except as specified, to charge an additional fee not to exceed \$300 per year per vehicle that is

operated to transport kitchen grease for purposes of administering the provisions regulating these transporters, up to a maximum of \$3,000 per year per registered transporter.

This bill would increase the registration fee for transporters of inedible kitchen grease to not to exceed \$250. The bill would also increase the additional fee to not to exceed \$500 per year per vehicle that is operated to transport kitchen grease and the maximum to not exceed \$10,000 per year per registered transporter.

(3) This bill would also authorize the Secretary of Food and Agriculture, based upon the findings and recommendation of the Rendering Industry Advisory Board, to determine the additional fee amounts, as described above under (1) and (2), necessary to provide the revenue needed to carry out these provisions. The bill would require the secretary and the board to not exceed the maximum amount for additional fees authorized pursuant to these provisions. The bill would provide that the secretary shall only have the authority to raise an additional fee upon recommendation of the board. The bill would exempt the setting of these additional fees from the requirements of the Administrative Procedure Act.

(4) Existing law requires fees collected pursuant to these provisions to be deposited into the Department of Food and Agriculture Fund and continuously appropriates the collected funds for the purposes described above.

By increasing these additional fees and the registration fee for transporters of inedible kitchen grease, which are deposited into a continuously appropriated fund, the bill would make an appropriation.

(5) This bill would also make related findings and declarations regarding the rendering industry and the process of rendering and would require, to the ~~maximum~~ extent feasible, the Department of Food and Agriculture, ~~the State Department of Public Health, the State Air Resources Board, and CalRecycle Agriculture~~ to consider the *regional “highest and best use” of food material unprocessed mammalian, poultry, fish material, and animal and agricultural byproducts inedible kitchen grease from inspected establishments, retail stores, custom slaughterers, and custom processors* when developing regulations and policies governing the handling and recycling of ~~organic food waste and animal byproducts these regulated by the Department of Food and Agriculture; materials and establishments.~~

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Section 19300.1 is added to the Food and~~
2 ~~Agricultural Code, to read:~~

3 ~~19300.1. (a) The Legislature finds and declares all of the~~
4 ~~following:~~

5 ~~(1) The rendering industry is a critical health and safety~~
6 ~~infrastructure for California. Rendering is an effective tool to~~
7 ~~eliminate many human and animal disease pathogens, protect our~~
8 ~~groundwater and air resources, and greatly reduce greenhouse gas~~
9 ~~emissions compared to other alternative disposal options.~~

10 ~~(2) Rendering is the process of recycling waste animal tissue~~
11 ~~into stable, value-added materials. Each year rendering recycles~~
12 ~~approximately 59 billion pounds of perishable material generated~~
13 ~~by the meat and poultry processing, food processing, supermarket,~~
14 ~~and restaurant industries. The rendering industry turns this material~~
15 ~~into valuable ingredients such as biofuels, various soaps, paints~~
16 ~~and varnishes, cosmetics, explosives, toothpaste, pharmaceuticals,~~
17 ~~leather, textiles, and lubricants used daily in most households.~~

18 ~~(3) Organic and food waste recycling is an important activity~~
19 ~~that if implemented properly can increase carbon capture and~~
20 ~~reduce carbon emissions, increase food safety, maintain the animal~~
21 ~~health system, and provide valuable recycled byproducts in an~~
22 ~~economically and environmentally sustainable manner. Food~~
23 ~~material and animal and agricultural byproducts have specific~~
24 ~~values and risks requiring special handling that other organic~~
25 ~~materials may not.~~

26 ~~(b) Therefore, to the maximum extent feasible, the department,~~
27 ~~the State Department of Public Health, the State Air Resources~~
28 ~~Board, and CalRecycle shall consider the “highest and best use”~~
29 ~~of these materials when developing regulations and policies~~
30 ~~governing the handling and recycling of organic food waste and~~
31 ~~animal byproducts regulated by the department pursuant to this~~
32 ~~chapter.~~

33 ~~SEC. 2.~~

34 ~~SECTION 1. Section 19227 of the Food and Agricultural Code~~
35 ~~is amended to read:~~

36 ~~19227. (a) In addition to the license fee required pursuant to~~
37 ~~Section 19225, the department may charge each licensed renderer~~
38 ~~and collection center an additional fee necessary to cover the~~

1 reasonable costs of administering Article 6 (commencing with
2 Section 19300) and Article 6.5 (commencing with Section 19310).
3 The additional fees authorized to be imposed by this section may
4 not exceed ten thousand dollars (\$10,000) per year per each
5 licensed rendering plant or collection center.

6 (b) The secretary may, based upon the findings and
7 recommendation of the Rendering Industry Advisory Board,
8 determine the additional fee amounts necessary to provide the
9 revenue needed to carry out the provisions of this chapter specified
10 in subdivision (a). The secretary and the Rendering Industry
11 Advisory Board shall not exceed the maximum amount for
12 additional fees authorized pursuant to subdivision (a). Setting the
13 additional fee or fees shall not be subject to Chapter 3.5
14 (commencing with Section 11340) of Part 1 of Division 3 of Title
15 2 of the Government Code. The secretary shall only have the
16 authority to raise an additional fee pursuant to this section upon
17 recommendation of the Rendering Industry Advisory Board.

18 (c) The secretary shall fix the additional fee amounts established
19 pursuant to this section and may fix different fees for renderers
20 and collection centers. If an additional fee is imposed on licensed
21 renderers pursuant to subdivision (a) and an additional fee is
22 imposed on registered transporters pursuant to subdivision (a) of
23 Section 19315, only one additional fee may be imposed on a person
24 or firm that is both licensed as a renderer pursuant to Article 6
25 (commencing with Section 19300) and registered as a transporter
26 of inedible kitchen grease pursuant to Article 6.5 (commencing
27 with Section 19310), which fee shall be the higher of the two fees.

28 (d) If the additional fee established pursuant to this section is
29 not paid within one calendar month of the date it is due, a penalty
30 shall be imposed in the amount of 10 percent per annum on the
31 amount of the unpaid fee.

32 (e) This section shall become inoperative on July 1, 2020, and,
33 as of January 1, 2021, is repealed, unless a later enacted statute
34 that becomes operative on or before January 1, 2021, deletes or
35 extends the dates on which it becomes inoperative and is repealed.

36 *SEC. 2. Section 19300.1 is added to the Food and Agricultural*
37 *Code, to read:*

38 *19300.1. (a) The Legislature finds and declares all of the*
39 *following:*

1 *(1) The rendering industry is a critical health and safety*
2 *infrastructure for California. Rendering is an effective tool to*
3 *eliminate many human and animal disease pathogens, protect our*
4 *groundwater and air resources, and greatly reduce greenhouse*
5 *gas emissions compared to other alternative disposal options.*

6 *(2) Rendering is the process of recycling waste animal tissue*
7 *into stable, value-added materials. Each year rendering recycles*
8 *approximately 59 billion pounds of perishable material generated*
9 *by the meat and poultry processing, food processing, supermarket,*
10 *and restaurant industries. The rendering industry turns this*
11 *material into valuable ingredients including biofuels, various*
12 *soaps, paints, varnishes, cosmetics, explosives, toothpaste,*
13 *pharmaceuticals, leather, textiles, and lubricants used daily in*
14 *most households.*

15 *(b) Therefore, to the extent feasible, the department shall*
16 *consider the regional “highest and best use” of unprocessed*
17 *mammalian, poultry, fish material, and inedible kitchen grease*
18 *from inspected establishments, retail stores, custom slaughterers,*
19 *and custom processors when developing regulations and policies*
20 *governing the handling and recycling of these regulated materials*
21 *and establishments.*

22 SEC. 3. Section 19312 of the Food and Agricultural Code is
23 amended to read:

24 19312. (a) Registration shall be made with the department and
25 shall include all of the following:

26 (1) The applicant’s name and address.

27 (2) A description of the operations to be performed by the
28 applicant.

29 (3) The vehicles to be used in the transportation.

30 (4) A registration fee not to exceed two hundred fifty dollars
31 (\$250).

32 (5) A list of the names of the drivers employed by the transporter
33 who transport inedible kitchen grease subject to this article and
34 their drivers’ license numbers.

35 (6) Any other information that may be required by the
36 department.

37 (b) Any renderer or collection center that registers pursuant to
38 this article is not required to pay the fee prescribed in this section.

1 (c) The department may refuse to issue an original or renewal
2 registration certificate to an applicant for either of the following
3 reasons:

4 (1) The existence of the grounds specified in subdivisions (a)
5 to (e), inclusive, of Section 19314.

6 (2) A failure to pay, in full by the established due date, any
7 penalty levied by the department for a previous violation of this
8 article or Article 6 (commencing with Section 19300).

9 (d) (1) The applicant may appeal the decision of the department
10 to refuse to register the applicant.

11 (2) The department shall establish procedures for the appeals
12 process, to include a noticed hearing.

13 (3) The department may reverse a decision to refuse to register
14 the applicant, upon a finding of good cause to do so.

15 (e) The department shall adopt regulations that specify the
16 maximum time period for which a refusal of registrations may be
17 imposed, based on the severity or the number of violations that
18 are the basis of the department's action. The time period for the
19 refusal of registration shall not exceed three years from the date
20 the refusal of registration is imposed.

21 SEC. 4. Section 19315 of the Food and Agricultural Code is
22 amended to read:

23 19315. (a) Except as provided in subdivision (c), in addition
24 to the registration fee required by Section 19312, the department
25 may charge a fee necessary to cover the costs of administering this
26 article. Any additional fee charged pursuant to this section shall
27 not exceed five hundred dollars (\$500) per year per vehicle that
28 is operated to transport kitchen grease, and shall not exceed ten
29 thousand dollars (\$10,000) per year per registered transporter.

30 (b) The secretary may, based upon the findings and
31 recommendation of the Rendering Industry Advisory Board,
32 determine the specific fee per vehicle necessary to provide the
33 revenue needed to carry out the provisions of this article. The
34 secretary and the Rendering Industry Advisory Board shall not
35 exceed the maximum fee amounts established by this section.
36 Setting the fee amounts authorized pursuant to subdivision (a)
37 shall not be subject to Chapter 3.5 (commencing with Section
38 11340) of Part 1 of Division 3 of Title 2 of the Government Code.
39 The secretary shall only have the authority to raise an additional

1 fee pursuant to this section upon recommendation of the Rendering
2 Industry Advisory Board.

3 (c) An individual registered pursuant to this article who
4 transports inedible kitchen grease for his or her own personal,
5 noncommercial use as an alternative fuel is exempt from 75 percent
6 of the fee charged pursuant to subdivision (a), and shall meet all
7 of the following requirements:

8 (1) The individual shall meet all other requirements of this
9 article.

10 (2) The individual shall not transport more than 55 gallons of
11 inedible kitchen grease per load for that purpose, and shall have
12 no more than 165 gallons of inedible kitchen grease in his or her
13 possession or control at any time.

14 (3) The individual shall not take any inedible kitchen grease
15 from a container owned by another registered transporter of
16 inedible kitchen grease or from an inedible kitchen grease provider
17 under contract with a registered transporter of inedible kitchen
18 grease or from a container owned by a renderer or collection center.

19 (4) The individual shall have a document in his or her possession
20 while transporting inedible kitchen grease signed by the responsible
21 party providing the inedible kitchen grease to the individual at the
22 source of the inedible kitchen grease that provides permission for
23 the inedible kitchen grease to be removed from that site.

24 (5) The individual shall specify where the inedible kitchen
25 grease is stored and processed as an alternative fuel, if that address
26 is different from the address included on the registration form for
27 that individual pursuant to Section 19312.

28 (6) The individual shall not sell, barter, or trade any inedible
29 kitchen grease.

30 (d) The secretary shall fix the additional fees established
31 pursuant to this section and may fix different fees for transporters
32 of inedible kitchen grease and collection centers, and for
33 transporters of interceptor grease. If an additional fee is imposed
34 on licensed renderers pursuant to subdivision (a) of Section 19227
35 and an additional fee is imposed on registered transporters pursuant
36 to subdivision (a) of this section, only one additional fee may be
37 imposed on a person or firm that is both licensed as a renderer
38 pursuant to Article 6 (commencing with Section 19300) and
39 registered as a transporter of inedible kitchen grease pursuant to
40 this article, which fee shall be the higher of the two fees.

1 (e) If the additional fee established pursuant to this section is
2 not paid within one calendar month of the date it is due, a penalty
3 shall be imposed in the amount of 10 percent per annum on the
4 amount of the unpaid fee.

5 (f) For purposes of this section, “interceptor grease” means
6 inedible kitchen grease that is principally derived from food
7 preparation, processing, or waste, and that is removed from a grease
8 trap or grease interceptor.

9 (g) This section shall become inoperative on July 1, 2020, and,
10 as of January 1, 2021, is repealed, unless a later enacted statute,
11 which becomes effective on or before January 1, 2021, deletes or
12 extends the dates on which it becomes inoperative and is repealed.